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FISCAL IMPACT STATEMENT

LS 6266

BILL NUMBER: SB 55

NOTE PREPARED: Dec 6, 2014

BILL AMENDED:

SUBJECT: Medical Malpractice Actions.

FIRST AUTHOR: Sen. Steele

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill permits a patient to bring an action against a health care provider without submitting the complaint to a medical review panel if the amount of the claim is not more than \$187,000. (Under current law, a patient may bring a direct action only if the amount is no more than \$15,000.)

Effective Date: July 1, 2015.

Explanation of State Expenditures: *Summary:* This bill increases the claim amount with which an individual can bypass having their malpractice claim reviewed by a medical review panel. As a result, the Indiana Department of Insurance (IDOI) could see a minimal decrease in workload to provide support for fewer medical review panels.

Additional Information: Based on DOI Medical Malpractice Patient Compensation Fund payments for CY 2014, a total of 11 claims were made for more than \$15,000 and less than \$187,000.

For claims more than \$15,000, a medical review panel is waived only if all of the parties named in the malpractice claim agree to decline the hearing. Payment for a medical review panel comes from one or both of the named parties, depending on the panel's determination. The IDOI provides staffing for review panel meetings.

Explanation of State Revenues: *Summary:* This bill could increase the number of malpractice cases filed in civil court, and subsequently state revenue from filing fees could increase.

Additional Information: Currently, if an individual's malpractice claim is less than \$15,000, they can file a civil action and do not have to have a medical review panel review their claim. Under the bill, claims less than \$187,000 can bypass the medical review panel.

If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil costs fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court.

In addition, some or all of the judicial salaries fee (\$20), public defense administration fee (\$5), court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund. Revenue from the pro bono services fee (\$1) is transferred by the State Auditor to the Indiana Bar Foundation for use to assist with pro bono legal services programs in Indiana. And proceeds from the automated record keeping fee (\$5) are deposited into the State User Fee Fund.

Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

Explanation of Local Expenditures: By increasing the claim limits for bypassing a medical review panel, this bill could increase the number of cases filed in civil court. Increases in court caseload are expected to be processed with collection of court filing fees.

Explanation of Local Revenues: *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge, depending upon the particular type of case.

Persons filing a civil case are also required to pay the following fees that are deposited in local funds.

The document storage fee (\$2) is deposited into the clerk record perpetuation fund.

The following fees are deposited into the general fund of the county in which the court is located:

- Document fees (\$1 per document) are charged for preparing transcripts or copies of record or certificate under seal.
- A service fee (\$10) is collected from the filing party for each defendant beyond the first cited in the lawsuit.

State Agencies Affected: IDOI.

Local Agencies Affected: Courts.

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